## AMENDED IN SENATE MAY 26, 2006 AMENDED IN SENATE MAY 2, 2006

## **SENATE BILL**

No. 1161

## **Introduced by Senator Alarcon**

January 10, 2006

An act to amend—Section and repeal Sections 217, 217.7, and 217.9 of, and to repeal—and add, add, and repeal Section 217.8 of, the Streets and Highways Code, relating to state highways.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1161, as amended, Alarcon. State highways: design-sequencing contracts.

Existing law authorizes the Department of Transportation, until January 1, 2010, to conduct a pilot project to award design-sequencing contracts, as defined, for the design and construction of not more than 12 transportation projects, to be selected by the Director of Transportation.

This bill would instead generally authorize the department, *until January 1, 2012*, to award contracts for projects using the design-sequencing contract method, if certain requirements are met. The bill would require the department to continue the use of a peer review committee to assist the department in preparing an annual report to the Legislature describing and evaluating the outcome of the design-sequencing contracts until December 31, 2010.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

- (a) "Design-sequencing" or "fast track design" is a valuable project delivery tool that can reduce project completion time according to the Department of Transportation.
- (b) The California Business, Transportation and housing Housing Agency has found that the effectiveness of design-sequencing has been demonstrated and that a statutory cap and other restrictions on design-sequencing projects are unnecessary.
- (c) In order to provide the Department of Transportation with unconditional authority to use the design-sequencing method of contracting and fast track the completion of projects throughout the state, this act eliminates statutory constraints established on the number; *and* geographic location, and duration of authority for design-sequencing projects in California.
- SEC. 2. Section 217 of the Streets and Highways Code is amended to read:
- 217. The following definitions apply for the purposes of this article:
  - (a) "Design" is a plan completed to a level of 30 percent.
- (b) "Design-sequencing" is a method of contracting that enables the sequencing of design activities to permit each construction phase to commence when design for that phase is complete, instead of requiring design for the entire project to be completed before commencing construction.
- (c) A "design-sequencing contract" is a contract between the department and a contractor that requires the department to prepare a design and permits construction of a project to commence upon completion of design for a construction phase.
- (d)This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date.
- 34 that date.
  35 SEC. 3. Section 217.7 of the Streets and Highways Code is
  36 amended to read:
- 37 217.7. (a) Notwithstanding Section 10120 of the Public 38 Contract Code and Chapter 10 (commencing with Section 4525)

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of Division 5 of Title 1 of the Government Code, the department 1

- may award contracts pursuant to the competitive bidding
- provisions of the State Contract Act (Part 2 (commencing with 3
- 4 Section 10100) of Division 2 of the Public Contract Code) using
- 5 the design-sequencing contracting method defined in Section
- 6 217. For the purpose of this article, these projects shall be deemed public works. 7
- 8 (b)This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends 10 that date.
- 12 SEC. 4. Section 217.8 of the Streets and Highways Code is 13 repealed.

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- SEC. 5. Section 217.8 is added to the Streets and Highways Code, to read:
- 217.8. (a) The department shall continue the use of a peer review committee for design sequencing established by Chapter 378 of the Statutes of 1999. The peer review committee shall assist the department in preparing a report for submittal to the Legislature that describes and evaluates the outcome of the design-sequencing contracts, stating the positive and negative aspects of using design sequencing as a contracting method, including, but not limited to, contracting methods, procedures, costs, and delivery schedules. The peer review committee shall be disbanded on December 31, 2010. The first report shall be submitted on December 31, 2007, and annually thereafter until December 31, 2010.
- (b) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date.
- 32 SEC. 6. Section 217.9 of the Streets and Highways Code is 33 amended to read:
  - 217.9. Design-sequencing contracts, as described in Section 217.7, shall be awarded in accordance with all of the following:
- 36 (a) The department shall advertise design-sequencing projects 37 by special public notice to contractors.
- (b) Contractors shall be required to provide prequalification 38 39 information establishing appropriate licensure and successful 40 past experience with the proposed work, including their skilled

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- 1 labor force availability and safety record, as defined in clauses
- 2 (v) and (vi) of subparagraph (B) of paragraph (4) of subdivision
- 3 (d) of Section 20133 of the Public Contract Code.
- 4 (c)This section shall remain in effect only until January 1,
- 5 2012, and as of that date is repealed, unless a later enacted
- 6 statute, that is enacted before January 1,2012, deletes or extends
- 7 that date.